



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE  
AUDITOR-CONTROLLER

February 7, 2014

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe  
Auditor-Controller

SUBJECT: **JENESSE CENTER, INC. – A DEPARTMENT OF PUBLIC SOCIAL  
SERVICES DOMESTIC VIOLENCE SUPPORTIVE SERVICES  
PROGRAM PROVIDER – CONTRACT COMPLIANCE REVIEW**

We completed a program and fiscal review of Jenesse Center, Inc. (Jenesse or Agency), which covered a sample of transactions from Fiscal Year (FY) 2012-13. The Department of Public Social Services (DPSS) contracts with Jenesse, a non-profit organization, to provide Domestic Violence Supportive Services (DVSS) Program services to eligible victims of domestic violence. DVSS Program services include performing assessments, facilitating shelter assistance, and providing legal assistance to the victims.

The purpose of our review was to determine whether Jenesse appropriately accounted for and spent DVSS Program funds to provide the services outlined in their County contract. We also evaluated the adequacy of the Agency's accounting records, internal controls, and compliance with their contract and other applicable guidelines.

DPSS paid the Agency approximately \$573,000 on a cost-reimbursement basis for FY 2012-13. Jenesse provides services to residents of the Second Supervisorial District.

**Results of Review**

Jenesse provided services to eligible participants, recorded and deposited DPSS payments timely, and Agency staff had the required qualifications. However, the

Agency did not always comply with all of the County contract requirements. Specifically, Jenesse:

- Billed DPSS \$4,536 for unallowable or unsupported expenditures.

*Jenesse's attached response indicates that they will repay DPSS \$4,536 for the unallowable and unsupported expenditures.*

- Did not always obtain required employment eligibility documentation (i.e., driver's license, social security card, passport, etc.) for DVSS Program employees.

*Jenesse's attached response indicates that they have contracted with a law firm to conduct an internal review of all personnel files to ensure that employment eligibility documentation is obtained for all employees, and to provide training to Agency staff, as necessary.*

Details of our review, along with recommendations for corrective action, are attached.

#### **Review of Report**

We discussed our report with Jenesse and DPSS in December 2013. Jenesse's attached response indicates agreement with our findings and recommendations. DPSS will work with Jenesse to ensure that our recommendations are implemented.

We thank Jenesse management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:AB:DC:AA:pn

Attachment

c: William T Fujioka, Chief Executive Officer  
Sheryl L. Spiller, Director, DPSS  
Naomi Young, Esq., Board President, Jenesse  
Karen Earl, Executive Director, Jenesse  
Public Information Office  
Audit Committee

**JENESSE CENTER, INC.  
DOMESTIC VIOLENCE SUPPORTIVE SERVICES PROGRAM  
CONTRACT COMPLIANCE REVIEW  
FISCAL YEAR 2012-13**

**ELIGIBILITY**

**Objective**

Determine whether Jenesse Center, Inc. (Jenesse or Agency) provided services to individuals who met the Domestic Violence Supportive Services (DVSS) Program eligibility requirements.

**Verification**

We reviewed the case files for 12 (23%) of the 53 participants who received services during May 2013 for documentation to confirm their eligibility for DVSS Program services.

**Results**

Jenesse had documentation to support all 12 participants' eligibility for DVSS Program services.

**Recommendation**

**None.**

**PROGRAM SERVICES**

**Objective**

Determine whether Jenesse provided the services required by their County contract and DVSS Program guidelines, and whether the Program participants received the billed services.

**Verification**

We visited one (20%) of the five Jenesse service sites, and reviewed the case files for 12 (23%) of the 53 participants who received services during May 2013.

**Results**

Jenesse provided services in accordance with their County contract.

**Recommendation**

None.

**STAFFING QUALIFICATIONS**

**Objective**

Determine whether Jenesse's staff had the qualifications required by their County contract.

**Verification**

We reviewed the personnel files for five (15%) of the 33 Jenesse employees who worked on the DVSS Program.

**Results**

Jenesse's staff had the qualifications required by their County contract.

**Recommendation**

None.

**CASH/REVENUE**

**Objective**

Determine whether Jenesse properly recorded revenue in their financial records, deposited cash receipts into their bank accounts timely, and that bank account reconciliations were reviewed and approved by Agency management.

**Verification**

We interviewed Jenesse management, and reviewed the Agency's financial records and June 2013 bank reconciliation.

**Results**

Jenesse properly recorded revenue in their financial records, deposited Department of Public Social Services (DPSS) payments into the Agency's bank account timely, and Agency management reviewed and approved monthly bank reconciliations.

**Recommendation**

None.

## **EXPENDITURES**

### **Objective**

Determine whether expenditures charged to the DVSS Program were allowable under the County contract, properly documented, and accurately billed.

### **Verification**

We interviewed Jenesse's personnel, and reviewed financial records for 15 non-payroll expenditures, totaling \$12,808, that the Agency charged to the DVSS Program from August 2012 through June 2013.

### **Results**

Jenesse inappropriately charged \$1,543 (12%) of the \$12,808 in non-payroll expenditures reviewed to the DVSS Program. We also expanded our sample, and noted an additional \$2,993 in unsupported client transportation expenditures. Specifically, Jenesse:

- Did not have adequate documentation, such as original receipts or vehicle mileage logs, to support \$4,115 in client transportation and travel expenditures that the Agency billed to the DVSS Program from September 2012 through June 2013.
- Billed DVSS \$301 in clothing for a non-DVSS Program participant that the Agency indicated was billed in error.
- Inappropriately allocated \$120 to the DVSS Program for shared training expenditures.

In addition, Jenesse did not have a written service agreement for consultant costs charged to the DVSS Program. After our review, the Agency developed a written service agreement.

### **Recommendations**

**Jenesse Center, Inc. management:**

- 1. Repay the Department of Public Social Services \$4,115, or provide the Department of Public Social Services with supporting documentation.**
- 2. Repay the Department of Public Social Services \$421 (\$301 + \$120).**
- 3. Ensure that all non-payroll expenditures charged to the Domestic Violence Supportive Services Program are allowable, properly documented, and accurately billed.**

4. **Develop and maintain written service agreements for all consultants performing work on the Domestic Violence Supportive Services Program.**

### **PAYROLL AND PERSONNEL**

#### **Objective**

Determine whether Jenesse charged payroll costs to the DVSS Program appropriately, and maintained personnel files as required.

#### **Verification**

We traced the payroll costs for five employees, totaling \$3,964, for May 2013 to the Agency's payroll records and time reports. We also interviewed staff, and reviewed personnel files for five Jenesse DVSS Program staff.

#### **Results**

Jenesse appropriately charged payroll costs to the DVSS Program. However, the Agency did not obtain employment eligibility documentation (i.e., driver's license, social security card, passport, etc.) for two (40%) of the five employees reviewed as required. After our review, the Agency obtained the employment eligibility documentation for the two employees.

#### **Recommendation**

5. **Jenesse Center, Inc. management obtain and maintain employment eligibility documentation for all Domestic Violence Supportive Services Program employees.**

### **COST ALLOCATION PLAN**

#### **Objective**

Determine whether Jenesse prepared their Cost Allocation Plan (Plan) in compliance with their County contract, and used the Plan to allocate shared costs appropriately.

#### **Verification**

We reviewed Jenesse's Plan, and a sample of expenditures from August 2012 through June 2013.

**Results**

Jenesse prepared their Plan in compliance with their County contract. However, Jenesse did not appropriately allocate shared non-payroll expenditures to the DVSS Program as discussed above.

**Recommendation**

**Refer to Recommendation 3.**

**CLOSE-OUT REVIEW****Objective**

Determine whether Jenesse had any unspent revenue for the DVSS Program for Fiscal Year (FY) 2012-13.

**Verification**

We traced the total revenues and expenditures from Jenesse's FY 2012-13 close-out reports to the Agency's accounting records, and to DPSS' payment records.

**Results**

Jenesse's close-out reports indicated that they did not have any unspent revenue for FY 2012-13. However, the Agency needs to revise their accounting records based on our recommendations above, provide DPSS with revised close-out reports for FY 2012-13, and repay any unspent revenue.

**Recommendation**

- 6. Jenesse Center, Inc. management revise their accounting records based on the recommendations above, provide the Department of Public Social Services with revised close-out reports for Fiscal Year 2012-13, and repay any unspent revenue.**

**Jenesse Center, Inc.**  
DOMESTIC VIOLENCE INTERVENTION PROGRAM

January 22, 2014

Ms. Wendy Watanabe, Auditor-Controller

BOARD OF DIRECTORS County of Los Angeles  
Avis Frazier-Thomas, Esq. Department of Auditor-Controller  
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Naomi Young, Esq. 350 South Figueroa Street, 8<sup>th</sup> Floor  
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Josephine Downs Secretary  
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**RE: Jenesse Center, Inc.**  
**Department of Public Social Services Domestic Violence Support Services Program**  
**Provider-Contract Compliance Review**

Pat Greene  
Parliamentarian  
Dear Ms. Watanabe:

Bobbiejean Anderson This is in response to the above referenced report regarding the program and fiscal review of  
Karlene Goller, Esq. Jenesse Center, Inc. for Fiscal Year 2012-13.

Sonya Makunga, Esq. The following is Jenesse Center Inc.'s response to the findings and concerns stated in the fiscal  
Vida Spears review report.

**Finding: Expenditures**

1. *Did not have adequate documentation, such as original receipts or vehicle mileage logs, to support \$4,115 in client transportation and travel expenditures that the Agency billed to the DVSS Program from September through June 2013.*

Karen Earl  
Executive Director

**Response to Finding:**

During the last fiscal year, the Agency revamped its internal controls with regards to the automobile expenses. New procedures were placed to ensure that original receipts were received and the vehicle mileage logs were completed. The fiscal staff is closely monitoring the mileage logs for compliance. To better train Jenesse's staff on these new procedures, the fiscal department conducts ongoing training to ensure compliance. The Agency's is confident that this new procedures have significantly improved its internal control.

Adrienne Lamar  
Associate Director

P.O. Box 8476  
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2. *Billed DVSS \$301 in clothing for a non-DVSS Program participant that the Agency indicated was billed in error.*

**Response to Finding:**

Fiscal procedures have been updated to improve communication between the program and fiscal staff to ensure that costs billed to contracts are accurate, allowable, and adequately supported.

Healing Families  
Connecting Community



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3. *Inappropriately allocated \$120 to the DVSS Program for shared training expenditures.*

**Response to Finding:**

Fiscal procedures have been reviewed and updated to ensure that costs billed to contracts are accurate, allowable, and adequately supported.

**Response to recommendations:**

1. Jenesse Center, Inc. will repay \$4,115 to the Department of Public Social Services for the disallowed expenses.
2. Jenesse Center, Inc. will repay \$421 to the Department of Public Social Services for the disallowed expenses.
3. Jenesse Center, Inc. is reviewing and updating its internal controls and procedures to ensure that costs billed to contracts are accurate, allowable, and adequately supported.
4. Jenesse Center, Inc. has improved procedures to ascertain that written service agreements for all consultants are maintained in the Finance Dept. Jenesse Center Inc. assures that it will comply and adhere with this requirement.

**Finding: Payroll and Personnel**

*Jenesse appropriately charged payroll costs to the DVSS Program. However, the Agency did not obtain employment eligibility documentation for two (40%) of the five employees reviewed as required...*

**Response to Finding:**

The Agency has contracted with a law firm specializing in employment law to provide an audit of its personnel files. After the audit, the firm will discuss the findings, if any, with management. If necessary, the firm will also provide training to the Jenesse staff.

**Response to recommendation:**

5. Jenesse Center, Inc. is reviewing and updating the procedures for maintaining its employee personnel files to ensure complete documentation. Jenesse Center Inc. assures that it will comply and adhere with this requirement.

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**Finding: Close-Out Review**

**Response to recommendation:**

6. Jenesse Center, Inc will revise their accounting records, provide the Department of Public Social Services with revised close-out reports for Fiscal Year 2012-13, and repay any unspent revenue.

If you have any further questions or comments, please contact Teri Aranguren at [taranguren@jenesse.org](mailto:taranguren@jenesse.org).

Sincerely,



Teri Aranguren  
Financial Consultant

Cc: Karen Earl, CEO  
Adrienne Lamar, COO